



Water Infrastructure Finance Authority of Arizona

NEWS RELEASE

1110 West Washington, Suite 290 • Phoenix, Arizona 85007 • www.azwifa.gov

Date: February 16, 2006

Contact: Tiffany N. Troidl, Communications Director: (602) 364-1314

WIFA Chairman Owens Announces \$7.9 Million Loan to Flagstaff to Purchase Red Gap Ranch for Long-Term Water Supply

PHOENIX –Water Infrastructure Finance Authority (WIFA) of Arizona Chairman Steve Owens announced today that the WIFA Board of Directors has approved a \$7.9 million loan to the City of Flagstaff to purchase Red Gap Ranch for long-term water source development for the City.

The City of Flagstaff has entered into a purchase agreement to buy the 23,000 acre Red Gap Ranch, located 35 miles east of Flagstaff. The ranch consists of 8,500 acres of deeded land and 15,000 acres of State leased land. Flagstaff estimates that as much as 20,000 acre-feet of groundwater could be available annually though this property for use by the City.

“Flagstaff has been engaged for some time in long-term water sustainability planning efforts,” said Chairman Owens, who is also Director of the Arizona Department of Environmental Quality. “Flagstaff has been working to identify a reliable water supply for the future, and this loan will enable the city to acquire the properties it has identified to meet its need.”

Flagstaff projects that it may need to import water by the mid 2020s if the growth continues and the existing groundwater development program cannot provide water at a sustainable level.

“We are happy to support Flagstaff’s effort to ensure an adequate water supply for its future,” said Jay Spector, WIFA’s Executive Director.

-30-

ABOUT THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

The Water Infrastructure Finance Authority of Arizona maintains and improves water quality in Arizona by providing communities and private water systems with access to low-interest financial assistance and technical assistance needed for basic water infrastructure. WIFA's funds are capitalized by contributions from the US Congress and the state of Arizona. As a leader in water infrastructure finance, WIFA has become a premier financial institution both in Arizona and nationally. Visit WIFA’s Web site at www.azwifa.gov.